Namyong Terminal Pcl (NYT TB) - BUY, Price Bt3.84, TP Bt4.60

Results Comment

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Weak 2Q22 earnings, in line

- NYT reported weak 2Q22 net profit at Bt42m, down 27% y-y and 22% q-q. The results were in line with ours and the market's expectation.
- The company's weak y-y and q-q earnings growth was due to 1) weak auto export due to chip shortage situation and slowdown consumption and 2) rising loss from its portfolio investment of Bt11m in 2Q22 vs. Bt1m gain both in 2Q21 and 1Q22.
- Its top line declined by 3% y-y and 10% q-q to Bt316m in 2Q22. Operating margin also declined to 23.9% in 2Q22 from 27.4% in 2Q21 and 24.2% in 1Q22.
- Thailand's auto export was at 206,520 units in 2Q22, falling by 4% y-y and 15% q-q. This caused NYT's revenue from terminal service business falling by 6% y-y and 15% q-q to Bt228m in 2Q22. Meanwhile, its revenue from warehouse business was at Bt88m in 2Q22, up 8% y-y and 6% q-q.
- 6M22 earnings accounted for 43% of our full-year earnings forecast. We expect the company's earnings momentum to improve in 2H22F onwards due to rising auto export and falling loss from marine cargo business. We thus maintain a BUY on NYT.

Income Statement					(consolidated)
Yr-end Dec (Bt m)	2Q21	3Q21	4Q21	1Q22	2Q22
Revenue	325	303	374	351	316
Gross profit	**137**	**128**	**149**	**127**	**111**
SG&A	48	56	57	42	35
Operating profit	89	72	92	85	76
EBITDA	**204**	**192**	**218**	**205**	**192**
Other income	5	6	6	6	5
Other expense	(1)	(2)	(3)	(1)	11
Interest expense	24	26	26	25	25
Profit before tax	**71**	**53**	**76**	**66**	**45**
Income tax	18	15	21	18	13
Equity & invest. income	(5)	(10)	(9)	(6)	0
Minority interests	9	10	16	12	9
Extraordinary items	0	0	0	0	0
Net profit	**58**	**38**	**61**	**54**	**42**
Normalized profit	**58**	**38**	**61**	**54**	**42**
EPS (Bt)	0.05	0.03	0.05	0.04	0.03
Normalized EPS (Bt)	0.05	0.03	0.05	0.04	0.03

Income Statement			6M as		
(Bt m)	q-q%	y-y%	% 2022F	2022F	2023F
Revenue	(10)	(3)	48	1,399	1,573
Gross profit	**(13)**	**(19)**	47	**505**	**578**
SG&A	(16)	(27)	47	163	178
Operating profit	(11)	(15)	47	341	400
EBITDA	**(6)**	**(6)**	52	**763**	**805**
Other income	(13)	(2)	45	24	24
Other expense	na	na		0	0
Interest expense	(1)	6	54	93	82
Profit before tax	**(32)**	**(37)**	41	**272**	**342**
Income tax	(29)	(28)	50	63	69
Equity & invest. income	na	na	na	(18)	(15)
Minority interests	(23)	4	73	30	5
Extraordinary items				0	0
Net profit	**(22)**	**(27)**	43	**222**	**262**
Normalized profit	**(22)**	**(27)**	43	**222**	**262**
EPS (Bt)	(22)	(27)	43	0.18	0.21
Normalized EPS (Bt)	(22)	(27)	43	0.18	0.21

Balance Sheet					(consolidated)
Yr-end Dec (Bt m)	2Q21	3Q21	4Q21	1Q22	2Q22
Cash & ST investment	1,209	1,288	1,320	1,383	1,146
A/C receivable	110	103	117	128	97
Inventory	0	0	0	0	0
Other current assets	24	17	29	29	27
Investment	1,303	1,294	1,282	1,277	1,276
Fixed assets	1,563	1,516	1,606	1,587	1,324
Other assets	2,440	2,385	2,302	2,294	2,515
Total assets	**6,649**	**6,603**	**6,655**	**6,699**	**6,385**
S-T debt	27	32	32	43	31
A/C payable	29	21	37	56	79
Other current liabilities	492	486	535	590	492
L-T debt	156	151	156	151	157
Other liabilities	2,759	2,699	2,623	2,546	2,476
Minority interest	37	27	23	11	5
Shareholders' equity	**3,149**	**3,187**	**3,248**	**3,302**	**3,145**
Working capital	81	82	80	72	18
Total debt	183	183	188	194	188
Net debt	**(1,026)**	**(1,105)**	**(1,132)**	**(1,189)**	**(958)**

Financial Ratios					
(%)	2Q21	3Q21	4Q21	1Q22	2Q22
Sales growth	36.4	12.8	19.8	5.4	(2.7)
Operating profit growth	34.8	(9.5)	(22.8)	(24.9)	(14.9)
EBITDA growth	18.8	1.5	(4.4)	(7.0)	(5.9)
Norm profit growth	56.7	37.4	(32.7)	(37.5)	(27.4)
Norm EPS growth	56.7	37.4	(32.7)	(37.5)	(27.4)
Gross margin	42.2	42.3	39.9	36.2	35.0
Operating margin	27.4	23.7	24.6	24.2	23.9
EBITDA margin	62.8	63.3	58.4	58.6	60.8
Norm net margin	17.8	12.6	16.3	15.3	13.3
D/E (x)	0.1	0.1	0.1	0.1	0.1
Net D/E (x)	(0.3)	(0.3)	(0.3)	(0.4)	(0.3)
Interest coverage (x)	8.6	7.3	8.3	8.1	7.7
Interest rate	51.6	57.2	56.4	53.0	52.4
Effective tax rate	25.2	27.4	28.2	27.7	28.6
ROA	3.7	2.3	3.7	3.2	2.6
ROE	7.1	4.8	7.6	6.5	5.2

Sources: Company data, Thanachart estimates

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